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HOUSING POLICY—A LABOUR PARTY STATEMENT

IN A pamphlet entitled *Housing and Planning after the War* the Labour Party has issued a draft of a proposed post-war policy. Its criticism of existing conditions and its aspiration for better houses in better surroundings will meet with general approval and call for no comment. The important question is why things are as they are and how is a remedy to be found.

It is refreshing to find that the policy of subsidizing the provision of houses at the expense of the rates and taxes is no longer looked upon with the undue favour which in the past has been the outlook of many housing reformers. It is pointed out that "in extreme cases where flats have been built in London on expensive land the subsidy has been as much as £40 a year." It might be added that the subsidies have been largely grants to landowners and in many cases have been contributed to by ratepayers who are no better off than the persons to whom such houses have been let. The Report points out that in some cases persons moved out of slums or grossly overcrowded conditions into subsidised accommodation were in fact able to pay a higher rent. Others who were living in bad conditions were unable to get subsidised accommodation. "In other words the wrong families frequently got the benefit of the subsidy." One means of dealing with this was the policy of differential rents, but this involves inquiry into means "which causes considerable dissatisfaction and unrest among tenants." The Report observes that "if standards of wages were sufficiently high, the need for a subsidy towards rent and the inequalities it produces would disappear. In the meantime the ideal to be aimed at is to build working-class dwellings without the need for subsidy, and it is therefore essential, among other steps, to reduce both the cost of land and of building to the lowest possible level." With this we heartily concur.

Several references are made to the high cost of land. "The main obstacle to proper planning and development results from the high cost of urban land, especially in the central areas of the larger towns. For example, lack of open space in central crowded areas where the cost of land is high is a serious defect of existing forms of development, but Planning Authorities will naturally be reluctant to impose heavy rate burdens on their ratepayers by acquiring large areas and preserving them for open spaces when these areas will be revenue-producing if they are built upon. The higher the cost of land the greater the reluctance to use it for such essential purposes, even though it is in just such areas, owing to their tendency to congestion, that open space may be most required. Again, although the provision of working-class housing in such areas might be essential, a local authority

will hesitate to utilize such expensive land for working-class housing and will build on cheaper but less desirable or convenient sites. One of the tragedies of housing between the wars was that so much of it, on the score of cost, was carried out on unsuitable and unsatisfactory sites. . . . Furthermore, even where, owing to the local demand for housing, a Local Authority has been forced to build on expensive sites, experience has shown that it has been obliged to crowd as many dwellings as possible on such sites in order to reduce the land cost per dwelling, regardless of whether the situation needed so high a density, or of the health and welfare of the tenants, or of considerations of good planning. The vexed question of flats as against cottages or single family dwellings with gardens is also affected by the high cost of land in central areas."

Now what is the remedy for this high cost of land? The Report says simply: "The Labour Party remains convinced that the most satisfactory way of dealing with the question of land is by nationalization." So it appears that the way to solve the difficulty of excessive land values is for the State to buy up all the land! Not a word of explanation or justification is given, except a misleading reference to the Uthwatt Committee's proposals. First, this pamphlet says: "Various means of dealing with the cost of land have been considered by the Committee on Compensation and Betterment (the Uthwatt Committee)." Then follows the sentence quoted above about land nationalization, and then comes this: "The Uthwatt Committee, while admitting that nationalization of land is the most logical solution, were unable to recommend it, partly because they considered that such a recommendation fell outside their terms of reference, but mainly for three other reasons" which are then set out. The implications of this statement are all wrong. The Uthwatt Committee did not consider the high price of land as an obstacle to housing, nor did they make any recommendation for dealing with it except in so far as the proposal to acquire the development rights of undeveloped land outside town areas may be so considered. They certainly did not admit that nationalization of land was the most logical solution, or any solution, of this problem of high land values. What they did say was that in certain cases unification of ownership was needed for purposes of replanning, and one way of attaining this was by land nationalization. They then say: "If we were to regard the problem provided by our terms of reference as an academic exercise without regard to administrative or other consequences, immediate transfer to public ownership of all land would present the logical solution; but we

have no doubt that land nationalization is not practicable as an immediate measure and we reject it on that ground alone."

Land nationalization is not an academic exercise. It has the most serious consequences. It fixes upon the State and so upon the whole community the cost of purchasing land from its present owners at its present inflated values. This is not an escape from the excessive cost of land but its perpetuation for an indefinite future.

Curiously enough the cost of land nationalization is not mentioned. There seems to be a subconscious assumption that the cost will be negligible, as, for example, when it is postulated that "the Housing Authority should be free to choose between flats and single family dwellings according to suitability in each case, regardless of the cost of land."

A remarkable feature of this pamphlet is that there is not a single word in it about our system of local rating. Although it is admitted that it is necessary to reduce the cost of housing in order that subsidies may be dispensed with and preferential treatment of tenants avoided, no mention is made of the tax imposed by the rates upon the dwellings in which people must live. It is as if a country in which wheat was taxed, one should discuss reducing the price of bread without mention of the taxation which was making it dear. Surely there is to be found in this question of local rating the most direct and obvious line of attack upon the housing problem. Why was no consideration given to the policy of relieving houses and other buildings from local rates and levying the rate upon the site value of the land? Why was no attention paid to the double effect that this policy would have in preventing the speculative holding of land, reducing the price of land, and also reducing the cost of dwellings to the occupier of them?

The rating of site values is a practical policy. It is one which has been tried out with good results. It is one which leading local authorities in this country, notably the London County Council, have supported. It is one to which the Labour Party itself has on numerous occasions given its adherence.

This country is now faced with an unprecedented need for more housing. Building has been at a complete standstill during the war. Repairs have been neglected. Natural wear and tear have been accelerated. Very many houses have been wholly or partially destroyed by our enemies. This is an occasion upon which practical measures are urgently needed, and the direct and practical measure of rating land values must not be omitted from any programme which can hope for success.